

DIP FINANCING FACILITY TERM SHEET

EXHIBIT B

This is a summary of the terms and conditions for a Three Million Nine Hundred Twenty Thousand Six Dollar (\$3,900,006) debtor-in-possession senior line of credit facility (the "DIP Financing Facility") to be made available by OHorizons Global, LLC or its designee ("Lender" or "Postpetition Lender") to Coco Beach Golf & Country Club, S.E. (the "DIP Borrower") subject to the approval of the United States Bankruptcy Court for the District of Puerto Rico (the "Bankruptcy Court").

Borrower:

Coco Beach Golf & Country Club, S.E., a civil partnership organized under the laws of the Commonwealth of Puerto Rico, engaged in the ownership, operation and management of the Coco Beach Resort golf facilities in Rio Grande, Puerto Rico (the "Golf Facilities") and currently a debtor-in-possession under a Chapter 11 bankruptcy proceeding in the Bankruptcy Court under case number 15-05312 (ESL).

***Credit Facility/
Use of Proceeds:***

A Three Million Nine Hundred Twenty Thousand Six Dollar (\$3,900,006) non-revolving secured super priority multi-draw line of credit (the "Line of Credit") to be used by Borrower, solely in accordance with the Budget (as defined below), (a) for working capital, (b) to pay administrative claims, (c) to fund capital improvements, (d) to lease and/or purchase equipment, merchandise, consumable inventories and other personal property, (e) pay the cost of repairs, maintenance and upkeep of the Golf Facilities, which include two 18-hole golf courses, a club house, cart barn, maintenance building, irrigation and pump stations, lakes, snack bar, parking areas and other facilities ancillary thereto, and (f) to pay fees, expenses and closing costs. A detailed budget for the use of Line of Credit proceeds is attached hereto as Exhibit A (the "Budget").

Availability:

The Line of Credit will be available from the closing date until the Maturity Date. Disbursements shall be made against DIP Borrower's draw requests in a minimum amount of \$50,000 each to fund permitted costs as per the Budget. Each draw request shall be accompanied by invoices for materials purchased or services rendered.

***Maturity/Principal
Repayment:***

Subject to mandatory prepayment as provided below, the Maturity Date will be 365 days following the execution of the DIP Loan Documents (as defined below) at which time all principal and interest outstanding under the DIP Financing Facility shall be repaid.

Interest Rate:

The outstanding principal balance under the Line of Credit shall bear interest at a fixed rate of nine percent (9.0%) per annum.

Default Rate:

Eleven percent (11%) per annum.

**Interest Computation/
Payment Dates:**

Interest shall be compounded monthly on the basis of a 360 day year and payable on the Maturity Date.

Commitment Fee:

One percent (1.0%) of the amount of the Line of Credit due and payable on the date of execution of the DIP Loan Documents.

Drawing Fee:

One quarter of one percent (0.25%) of each draw amount due the date of funding of each draw.

Security/Collateral:

All assets of DIP Borrower, which shall include: (i) a first priority mortgage lien over the real property of the Borrower, (ii) a first priority mortgage lien over a 21.6564 cuerdas parcel of land located within the Coco Beach Resort known as Parcel RM-3 owned by Borrower's affiliate, Coco Beach Holdings, Inc. in an aggregate amount not less than the amount of the Line of Credit, (iii) collateral assignment of permits, contracts and intangible property, and (iv) security interest over all the equipment, machinery, inventory and other personal property used in the operation of the Golf Facilities

**Mandatory
Pre-payment:**



Upon acceptance by DIP Borrower of a bid for the sale of all or part of the Golf Facilities to any party other than Lender or its designee, the Bankruptcy Court entering an order for the sale of all or part of the Golf Facilities to any party other than Lender or its designee, the execution of a letter of intent or its equivalent for the sale of all or part of the Golf Facilities to any party other than Lender or its designee, or the sale, casualty or condemnation of all or part of the Golf Facilities. In addition to the prepayment of the DIP Financing Facility and all interest accrued thereon, in the event of a sale to any party other than Lender, DIP Borrower shall pay a prepayment penalty equal to 3% of the amount prepaid.

Conditions to Closing:

Closing and funding of DIP Financing Facility shall be subject to the satisfaction of conditions precedent deemed appropriate by the Lender and its legal counsel and customary for transactions of the type contemplated herein, including, but not limited to:

- (i) Final and unappealable approval of the DIP Financing Facility by the Bankruptcy Court upon terms and conditions acceptable to Lender in its sole discretion (the "DIP Order")
- (ii) Subordination by the Puerto Rico Tourism Development Fund ("TDF") of its existing mortgage and other liens and encumbrances upon the assets of DIP Borrower to Lender's mortgages and other liens and encumbrances constituted as security for the DIP Financing Facility;

- (iii) Satisfactory completion of due diligence review;
- (iv) Negotiation, execution, and delivery of satisfactory credit and security documentation;
- (v) Delivery of DIP Borrower's organizational documents;
- (vi) Delivery of legal documents evidencing DIP Borrower's authorization for execution, delivery and performance of its obligations under the DIP Financing Facility and such other documentation requested by Lender in its sole discretion; and
- (vii) Any others deemed appropriate by the Lender and/or its legal counsel in their respective sole discretion.

Events of Default: Customary for transactions of this type, including, but not limited to: (i) non payment of principal, interest and fees when due; (ii) false and /or inaccurate representations and warranties; (iii) DIP Borrower defaulting in the observance or performance of any term, provision, covenant, warranty, agreement or condition in relation to the DIP Financing Facility; (iv) the order authorizing the sale of the Club Facilities not being issued by the Bankruptcy Court and not being final and unappealable on or before December 4, 2015 and (v) the closing of the sale of the Golf Facilities) not occurring on or before December 15, 2015.

Documentation:

DIP Financing Facility will be subject to negotiation, execution and delivery of a (i) promissory note, (ii) mortgage notes, (iii) deeds of mortgage, (iv) mortgage note pledge and security agreements, (iv) collateral assignment, (v) a subordination agreement with TDF, (vi) an opinion of counsel to DIP Borrower in form and substance acceptable to Lender and its counsel, (vii) security agreement and (viii) all other loan and security documentation Lender may deem necessary or convenient (collectively, the "DIP Loan Documents").

Expenses:

DIP Borrower shall be responsible, whether or not the closing of the DIP Financing Facility occurs, for all reasonable out-of-pocket expenses incurred in connection with the negotiation, preparation, execution, and enforcement of the credit documents, including reasonable fees, disbursements and other charges of counsel.

Governing Law:

Commonwealth of Puerto Rico

Bankruptcy Court

Approval:

Within two days of the execution hereof, DIP Borrower shall cause to be filed with the Bankruptcy Court the corresponding motions, in form and substance satisfactory to the Lender (the "DIP Motion") and shall diligently use commercially reasonable efforts to obtain a final and unappealable DIP Order on or before October 26, 2015. If the DIP Order is not so entered, Lender shall have the option at any time thereafter to terminate the Term Sheet by written notice to DIP Borrower without any liability or obligation from Lender to DIP Borrower.

Expiration Date:

This Term Sheet shall automatically expire and Lender shall have no obligation to make the DIP Financing Facility available to Borrower if (i) if this Term Sheet is not executed by DIP Borrower and returned to Lender on or before October 7, 2015, (ii) the DIP Motion is not filed on or before October 6, 2015 or (iii) the DIP Loan Documents are not executed on or before October 28, 2015.

In witness whereof, the undersigned agree to be bound by the terms and conditions set forth herein. In San Juan, Puerto Rico, this 5th day of October, 2015.

Lender:

OHORIZONS GLOBAL LLC

By: 


Name: Eric Swider _____

Title: Managing Director _____

DIP Borrower:

COCO BEACH GOLF & COUNTRY CLUB, S.E.

By: Coco Beach Development Corporation,
Its Managing Partner

By: 

Name: Jorge L. Díaz Irizarry

Title: President & CEO

Dated: October 5, 2015

Address for notices:
Empresas Díaz Building
101 Andes Street
Rio Piedras, Puerto Rico 00926-1413
Attention: Jorge L. Díaz Irizarry